
Lake County

Public Facilities Mitigation Fee

Support Study

February 2003

FINAL REPORT

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Executive Summary

Introduction

This document establishes an impact fee applied to new development in unincorporated Lake County, ensuring that revenue is available to build new or expand existing facilities for the general government departments and offices as the County grows. The implementation of the impact fee requires new development to pay its fair share for incrementally expanding County facilities.

Without a revenue mechanism for expanding facilities, they will inevitably become crowded and result in inefficiencies – decreasing overall government service levels to the entire population and business community. If the County has not charged new development for its fair share of the costs, then the taxpayers at large will bear the burden of building additional facilities, the need for which was generated by new development. This results in a de-facto subsidy of new growth by the taxpayers at large.

While the study is based upon extensive information from several sources and the calculations can be complex, the basic logic leading to impact fee is simple and can be distilled to answering the following ten questions:

1. Does Lake County have a need for an impact fee to charge new development its share of the cost of expanding facilities currently housed in the Courthouse and Annex buildings?
2. Does Lake County have the legal authority to charge such a fee?
3. What is the current extent of the Courthouse and Annex buildings?
4. How do residential and non-residential land uses draw upon facilities for basic County services relative to one another?
5. How much does it cost to build or expand facilities like the Courthouse and Annex buildings?
6. What is the current level of service for facilities like the Courthouse and Annex buildings?
7. What should the fee amounts be?
8. How much revenue might the County expect the fees to yield?
9. Should credits or waivers be offered to any types of development?
10. What steps and considerations are involved in implementing the fee?

Need

Increased residential development and to a lesser degree, increased non-residential development (commercial and institutional) have contributed to a marked increase in demand for County Services. Calls to the Sheriff's Department have doubled in less than 10 years, and so has the average daily population of prisoners in the County jail.

Building permit volumes are nearly 60% higher than they were 8 years ago, vehicle registrations are up, court cases are on the rise, and increasing staff levels reflect this increase in demand for County services. Meanwhile, departments located in the Courthouse and Annex buildings are inadequate for existing activity levels. Because no earmarked funding source exists to fund facilities expansion, new development should be expected to continue to exacerbate these problems leading to declining service levels for all citizens.

Legal Authority

In 2001 the legislature adopted SB 15 giving counties and municipalities authority to charge impact fees to new development to fund capital facilities. This bill established legal parameters for such fees, and the fee calculated within this study meets or exceeds all statutory criteria.

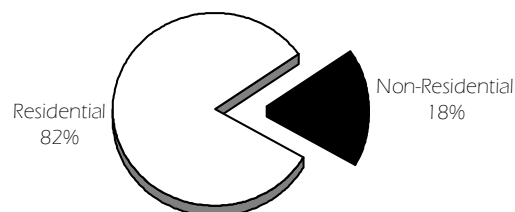
Existing Facilities

Although the facilities are currently at capacity, Lake County maintains a Courthouse and Annex Buildings with 33,000 combined square feet.

Proportionate Share

In order to accurately calculate impact fees it is important to determine the difference between residential and non residential demand on facilities and services. Although RPI went to great lengths to determine these ratios on a case by case basis, this "proportionate share" was concluded to be 82% residential and 18% non residential overall. In other words 82% of the demand for public services can be attributed to residences and 18% to businesses or institutions.

Overall Proportionate Share



This result is not surprising due to the fact that the study is focused on the unincorporated portion of the county that has fairly limited non-residential development.

Cost of Building Facilities

A study of 12 recently constructed public facilities serving purposes similar to the Courthouse and Annex buildings indicate that the average construction cost is \$187 per square foot (not including land costs).

Level of Service

Maintaining current service levels is the purpose of the impact fee established in this study. The Level of Service is defined as the quantity of public facility per unit of demand. Commonly used level of service expressions include: library space per capita, acres of parks per capita, and classroom space per student. If demand units are increased (population or students in the examples above) but the community fails or decides not to provide a proportionate increase in the quantity of facilities (e.g. library space, parks, and school facilities) the community will suffer a decline in the level of service.

In the context of facilities for the departments and offices located in the Courthouse and Annex building, the current level of services is 2.8 square feet of facilities space per capita of residential population (where the residential population is the full-time plus part-time residents).

The non-residential level of service differs according to the intensity of use broken down into five basic land use types:

Land Use Category	Non-Residential Level of Service (sq. ft. of facilities per 1000 sq. ft. non-residential)
Retail/Service Commercial	8.3
Lodging	2.2
Office	7.9
Commercial Warehousing/Storage/Industrial	0.3
Government/Institutional/Community Facilities	3.4

Fee Schedule

Residential

Given the residential levels of service indicated above, the average occupancy rates for two basic unit types (detached single family/duplex/manufactured units and

multifamily units) and the cost of constructing new facilities, the residential fee structure is:

Residential Fee Per Unit	
Detached Single Family/Duplex/Manufactured	\$ 1,420
Multi-Family (3 or more attached units)	\$ 1,160

Non-Residential

Based on service levels and proportionate share of demand, the following fee structure should apply to non-residential development:

Non-Residential Fee per 1000 sq. ft.	
Retail/Service Commercial	\$ 1,550
Lodging	\$ 410
Office	\$ 1,480
Commercial Warehousing/Storage/Industrial	\$ 60
Government/Institutional/Community Facilities	\$ 640

Cash Flow

Based on past development, it appears that the County should expect to garner approximately \$55,000 per year in revenue from the impact fee supported in this study. This revenue stream will be realized if the fees are charged to all new developments within the unincorporated county at building permit and no waivers are granted.

The limited quantity of non-residential development in the unincorporated County along with data related difficulties in determining non-residential growth make a cash flow projection for non-residential development infeasible. It is likely that non-residential development will continue to occur sporadically and at a slow rate, resulting in occasional revenue spikes related to specific developments.

Credits and Exemptions

The County budget structure has no earmarked funds for funding expansion of facilities and there is not a notable track record of general fund expenditures for such expansions. Consequently, under the current budget structure, no credits are required.

The County has full authority to create a waiver or discount for affordable housing, but implementing such a waiver or discount requires some careful analysis of regional labor force dynamics, the real estate market, unexpected market cues, and may require some expenditures out of other funds to make up for lost revenue.

Because public facilities provided by governments (local, state, or federal) and special districts generally all work toward the same end of improving the quality of life for residents, businesses, and visitors, the County may choose to exempt such facilities from the impact fee.

Implementation

Implementation is a matter of legally and formally adopting the fee schedule into the land use code. RPI recommends that the fee be due prior to the issuance of a building permit for development on any legally established parcel or lot in the unincorporated County.

One important component of the implementation process is to carefully configure the accounting such that the fee revenue is sequestered and spent exclusively on constructing additional capacity for the departments and functions currently located in the Courthouse and Annex Buildings (the general County government services).

Please call RPI with any questions or issues that you may have regarding this document. (970) 382-9153

Legal Authority

Impact Fee Authority

In 2001 the legislature adopted SB 15 granting counties and municipalities authority to assess impact fees to fund “expenditures by such local government on capital facilities needed to serve new development.”¹

The bill defines “capital facility” as follows:

As used in this section, the term “capital facility” means any improvement or facility that: (a) is directly related to any service that a local government is authorized to provide; (b) has an estimated useful life of five years or longer; and (c) is required by the charter or general policy of a local government pursuant to a resolution or ordinance. § 29-20-104.5(4)

Under this definition, a facility necessary for providing basic County government services (like the Courthouse and Annex buildings) is a capital facility if it is directly related to a service that the County is authorized to provide. This study focuses on the facility needs of the departments and offices located in the Courthouse and Annex buildings providing basic County services. Most of these services are authorized specifically in the CRS Title 30, Article 10, (County Officers), including the Sheriff’s department, the Clerk and Recorder, Coroner, Treasurer’s Office, Assessor, and the Commissioners and staff. Other functions such as the administrative functions surrounding the budget and other particular duties of the County are authorized in CRS Title 30, Article 25, County Administration. The duties of the County Building and Planning department are authorized in CRS Title 30, Article 28, County Planning and Building Codes. CRS 26-1-115 and CRS 25-1-501 authorize human services (called social services in the statutes) and health services respectively. In short, the facilities considered in this impact fee support study provide a place from which to provide basic County services, all of which the County is legally authorized to provide under the Colorado Revised Statutes.

Because the County is authorized to provide the services contained in the facilities under consideration in this impact fee support study, the impact fee revenue can only be used to invest in capital facilities “directly related” to providing that service. Assessment of a fee to construct facilities for departments and offices providing the basic County services currently housed in the Courthouse and Annex buildings meets this requirement.

The impact fee statute also requires that the impact fee be based on a quantification of the “reasonable impacts of proposed development on existing capital facilities” and that it be set at a level “no greater than necessary to defray such impacts directly related to proposed development.” What is directly related is not defined by the statute. However in a recent Colorado Supreme Court decision, the Court made it clear that a

¹ § 29-20-104.5(1)

local government does not need to engage in an individualized assessment of each development to determine the reasonableness of the fee.² It appears that the impact fee must be directly related to the cumulative impacts of development in the community, not to a particular development proposal.³ The documentation contained in this impact fee support study considering the needs generated by broad categories of development (residential and non-residential) for facilities to provide selected basic County services is more than adequate to support the relationship between the fee and the impacts on these facilities caused by new development in the County.

The impact fee statute also restricts when a fee may be imposed.

No impact fee or other similar development charge shall be imposed on any development permit for which the applicant submitted a complete application before the adoption of a schedule of impact fees or other similar development charges by the local government pursuant to this section. No impact fee ... shall be collected before the issuance of a development permit for such development activity. Nothing in this section shall ... prohibit ... deferring collection of an impact fee ... until the issuance of a building permit. § 29-20-104.5(6)

Under this section, the County may impose the fee at the time of building permit even where the subdivision has been previously approved, so long as a complete building permit application has not been submitted before a fee schedule has been adopted.

Scope of this Study

In order to provide services, Lake County has acquired and maintains several facilities such as the senior center, the County road system, road and bridge maintenance shops, Ski Cooper, the Library, several parks/recreational facilities and equipment, the landfill, airport, and the Courthouse and Annex buildings.

While the building, maintenance, and expansion of County facilities is essential to County functions, building new facilities is expensive and money for capital improvements is difficult to procure given increasing costs of day to day County operations and maintenance. All County facilities need to be periodically evaluated to determine if their capacity, design, and location are adequate to meet the demand. Where deficiencies are identified or facilities appear to be reaching capacity, it is necessary to undertake the process of planning and financing new facilities or expansions. Given the complexity and expense of this process, County resources are more efficiently utilized when facilities expansions are prioritized.

After extensive discussions with County staff, RPI analysts agreed that current efforts should focus on the Courthouse and Annex buildings. These two adjacent and interconnected facilities have recently reached capacity. Department heads located in these facilities conclude that any further increase in demand for the functions located

² Krupp v. Breckenridge Sanitation District, 19 P.3d 687 (Colo. 2001).

³ See White, "A Municipal Perspective on Senate Bill 15: Impact Fees," 31 Colo. Law. 5 (May 2002)

in these facilities may not be met due to space and design constraints. The Courthouse and Annex buildings headquarter all County business. Consequently, declining service levels from departments located in these facilities will adversely affect the performance of all County services. Therefore this impact fee support study will focus exclusively on determining new development's share of the cost of incrementally expanding or building new facilities for departments and functions located in the Courthouse and Annex buildings.

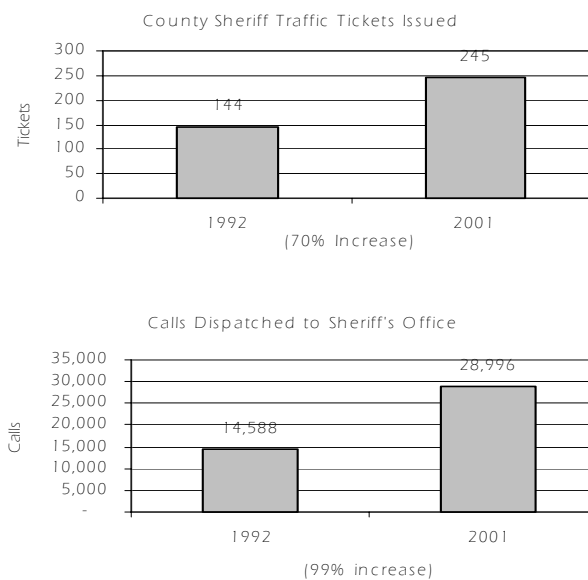
The Need for a General Government Facilities Impact Fee

Introduction

The demand for basic County Services has been on the rise for more than a decade and continues to increase. Growth in housing units, residents, and increases in commercial and institutional activities are the primary generators of demand for County services. Increased demand for services leads to increasing workloads across all County departments. Increased workloads are typically met by hiring new employees and increasing efficiency. Without increases in service proportionate to increases in demand, the County residents, businesses, and institutions should expect service levels to decline.

Expanding County facilities or building additional facilities in pace with the increasing demand is critical to maintaining service levels for basic County services. Increased Demand for County Services

Figures 1 & 2. Growth in demand for Sheriff services

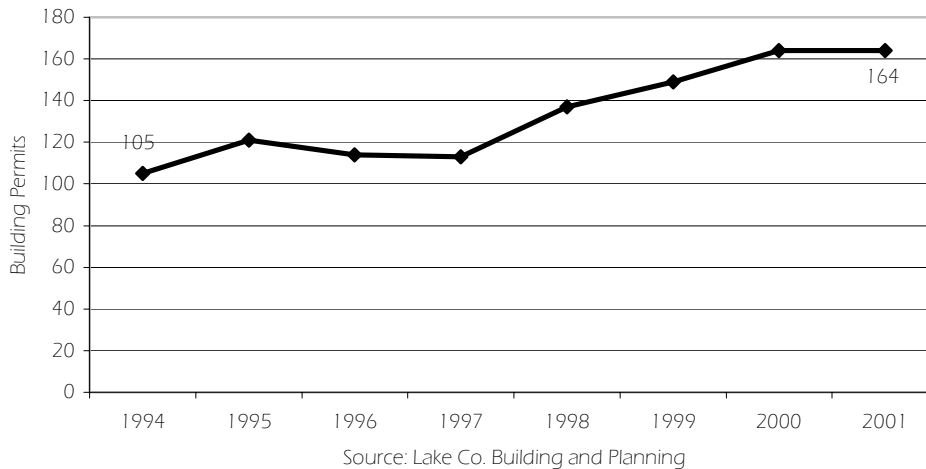


According to a data contained in a report provided by Lake County's head dispatcher, law enforcement calls doubled between 1992 to 2001 and annual traffic tickets increased by 70% (figure 1 and 2).

Average daily jail population also nearly doubled from 10 inmates in 1992 to 18 inmates in 2001. A 20% increase in inmate transfers to other facilities (due to lack of local jail space) also occurred. See appendix I for detailed chart of demand indicators for Sheriff's department for the years 1992, 1995, and 2001.

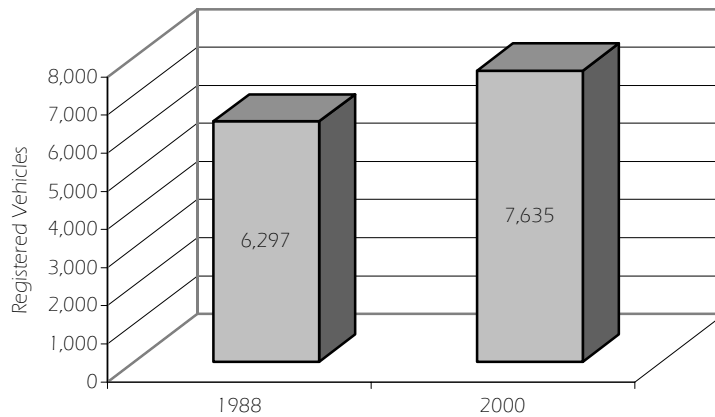
While more difficult to track, demand for County administrative services is also on the rise. The process of subdividing and developing property generates workload for several administrative departments including the building and land use department, responsible for developing and enforcing land use regulations and updating the building code; the County Assessor's office, responsible for tracking and assessing taxes on all land and improvements as they occur and change hands; the clerk and recorder's office, responsible for recording the public process and filing land use approvals, deeds, covenants, and all official property related documents; and the Commissioners' staff responsible for assisting with public process and managing County departments. Annual building permits have increased steadily since 1994 resulting in a total increase of over 50% in the volume of building permits and work associated with increased building (see figure 3).

Figure 3. Annual Building Permits Reviewed by Lake County



Vehicle registration, covered by the Clerk and Recorder's office are also indicative of the increase in work volume for County departments. In 2000, over 1300 more vehicles were registered in Lake County than in 1988 (figure 4). Not only does this number reflect additional administrative workload, but also implies more traffic in general and its associated impact on the County Road system, maintained and improved by the County Road and bridge department.

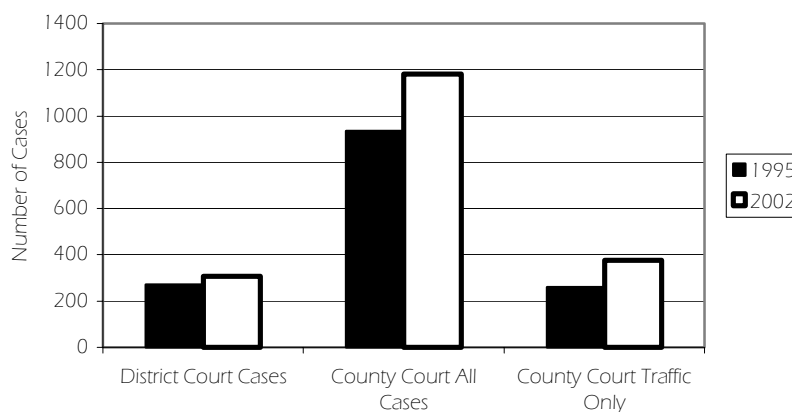
Figure 4. Vehicles Registered with Lake County



Source: <http://www.dola.state.co.us/is/ctyveh.cfm>

While the Court system is funded outside of the County budget, the County is responsible for providing court facilities. The volume of cases heard by the County and District Court system, has also increased significantly. County court cases increased by approximately 25% in 7 years while traffic cases increased by 45%. District cases increased more modestly, but are reported by the District Administrator to be on the rise, particularly in recent years.

Figure 5. Court Cases Heard in Lake County



Source: 5th Judicial District Administrator

The Link Between Increased Demand for County Services and Facility Needs

Increasing demand for basic County services becomes evident by looking at key workload indicators outlined above. Increased workload generally means additional employees are needed as well as technological and organizational innovations to increase efficiency. While budgetary constraints make it difficult to keep staffing levels in pace with the increase in demand for services, the County managed to increase its

total staff by 17% in the 3 years between 1999-2002 in order to try to meet increasing demand (see **appendix I** for detailed table).

Increased demand for services and associated staff increases have not been met with a proportionate increase in County facilities in which to conduct the increased volume of business. To some degree, a proportionate increase may have not been necessary until recently as extra capacity filled. At present, the Courthouse and Annex buildings are at or beyond capacity. According to staff members interviewed by RPI analysts, most departments are out of room in which to conduct ever-increasing volume of business. Employees and department heads state that the lack of workspace, meeting space, courtrooms, jail cells, offices, interview rooms, examination rooms, storage, and the like is an increasing constraint on departments – particularly those located in the Courthouse and Annex buildings.

Some departments are limited from hiring badly needed staff because of space and facility constraints alone. Also, office sharing arrangements pose potential problems, such as the risks associated with the co-location of probation offices and health and human services. If the capacity of the facilities are not increased in pace with the volume of business, the resultant constraints and inefficiencies will likely adversely affect the level of service provided by the departments located in these two buildings.

Demand Units: The Forces Behind Increased Demand for Basic County Services

The need for facilities to house expanding general County functions is generated by growth in population and increased commercial and institutional activity.

When an individual or firm builds a new residential unit, it will almost certainly subsequently be occupied by a household of full or part-time residents. The structure itself generates some demand for County Services, such as periodic appraisals from the Assessor's office, the tracking of the deed and covenants by the Clerk's office, the oversight of the construction process by building and land use department, etc. However, the real increase in demand comes from the presence of additional residents making up the new household.

Residents of each additional household incrementally increases demand for basic County services by driving vehicles, voting, calling for law enforcement or contributing to additional patrol needs, committing traffic infractions, committing juvenile or other offences, using health and human services, participating in the public process, protesting property tax assessments, speculating or applying for future development, engaging in lawsuits or other legal matters requiring court hearings, and many other needs of residents provided by the County.

Similarly, new commercial or institutional development also contribute to demand for services by increasing the amount activity and commerce in the County. More business and institutional activity leads to increased demand for County services by generating the need for law enforcement to protect the property, employees, and customers of establishments; generating traffic to the establishment or facility, increasing the volume taxable sales; attracting tourists, and increasing peak demand for

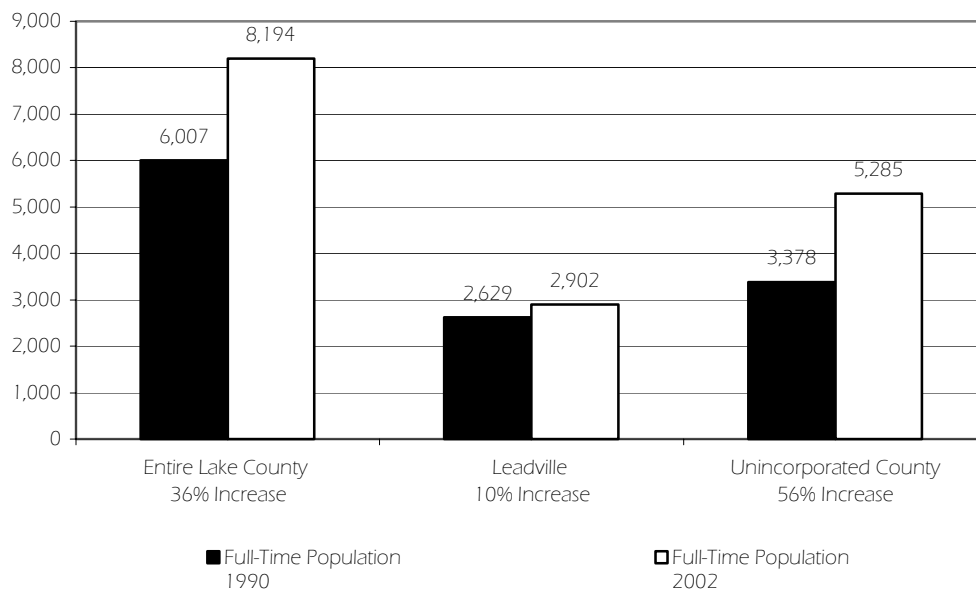
law enforcement/road capacity; building and expanding of operations and facilities; participation in the public process; attracting new employees into the County; calls for economic development and community amenities and enhancements that, along with other activities, incrementally add to the increasing demand for basic County services.

Growth in Demand Units

Full-Time Population

The most common way to measure growth in a County or Town is to look at the change in full-time population over time. Unincorporated Lake County experienced a 56% increase in population over the last 12 years. While the root causes of population growth can vary greatly, two phenomena may apply to Lake County: 1) rapid job growth in the resort counties to the north where housing and the cost of living in general is prohibitively expensive and 2) retirees from communities elsewhere who have chosen Lake County as their primary place of residence.

Figure 6. Lake County Population



Residential Population: Accounting for Part-Time Residents

In recent years, high-amenity areas like Lake County have experienced an influx of part-time residents who occupy and use residences differentially from full time residents. Some part-time residents may come only for week long summer fishing and winter ski vacations, while others might stay the entire summer or half the year.

For planning purposes a part-time resident should be considered to create the same demand for services as a full-time resident for two reasons:

- 1.) Housing units themselves increase demand on services such as law enforcement; plowing and road maintenance; recordation of deeds, titles, covenants, etc.; assessment, appraisal, and taxation for the various districts and governments in the County; review and issuance of building permits; and many other often overlooked tasks covered by the County government linked to the existence a residence regardless of occupancy pattern.
- 2.) Capital facilities planning should be based on peak demand. For example, if Leadville's water plant were designed only to handle full-time residents, it would fail virtually every day from fourth of July through September. If CDOT designed highway improvements only to handle low season traffic flows, summer traffic levels would render new improvements under-capacity within a few years. If facilities are not designed for peak season demands, they will fail.

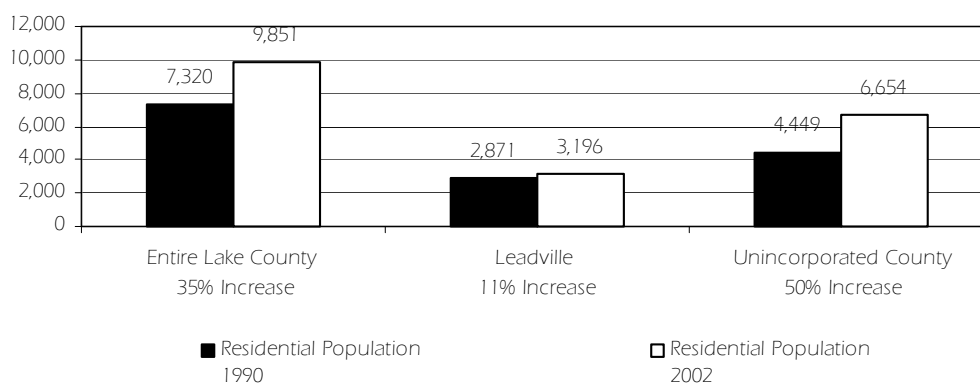
The *residential population*, consists of the full-time population, plus the part-time population. To calculate this quantity, analysts added the full-time population to the part-time population, calculated by multiplying the estimated number of part-time residences (based on Census proportions) by the average household occupancy in the County. **Figure 7** summarizes residential population growth for 1990-2002 in Lake County.

Non-Residential Development

RPI analysts used the Lake County Assessor assessment and appraisal database to measure change in non-residential development. The floor area of new taxable non-residential increased by 7%, a relatively slow rate of growth, probably reflecting a substantial capacity in the existing stock of commercial buildings into which new and growing businesses were able to move.

The most marked increase in non-residential development occurred in the government/institutional/community facilities sector, which include schools, hospitals, government buildings, and the like. Generating a growth rate for these facilities was infeasible due to data constraints.

Figure 7. Residential Population Growth 1990-2002



Facilities Inventory

One of the critical steps in this analysis is evaluating the quantity of facilities space needed per increment of development (e.g. residential unit or commercial/institutional sq. ft.). The incremental increase in demand for services driven by new development is contingent on the characteristics of the County function. For example, while County administrative functions such as the Assessor, Clerk and Recorder, Treasurer etc. service the entire County, and are thus affected by development within and without municipal boundaries, the Sheriff's law enforcement function is primarily affected by development in the unincorporated County. While demand for Health and Human services is driven entirely by County residents (not commercial operations), demand for Law Enforcement is driven both by residential units and commercial development.

RPI analysts classified County departments located in the Courthouse and Annex building into 5 function categories. The departments and offices were placed into the categories based on the manner in which the demand for their respective services changes with new development. For a detailed list of the departments and offices contained in each of the 5 functions, see **appendix II**.

Having categorized the various functions, it was then possible, , to inventory the square footage of facility space occupied by each of the five functions (**figure 8**).

Figure 8. Square Footage of Floor Area by Function in the County Courthouse and Annex Buildings

Function	Sq. Ft. of Floor Area
Administration	18,272
Law Enforcement	1,488
Jail	1,984
Courts	6,212
Health and Human Services	4,800
Total	32,756

For a table containing more detail about the square footage of each department or office, see **appendix II**.

Proportionate Share

Introduction

In order to fairly attribute new demand on basic services and facilities, it is necessary to determine the proportions that 1) residential units and 2) non-residential uses create.

Proportionate Share by Function

The five basic County functions located in the Courthouse and Annex buildings (see **appendix II**) have unique demands upon them and the proportionate share of residential demand vs. non-residential demand differs between them dependant on the nature of the services provided. In order to fairly attribute demand to the residential and non-residential sectors, it is necessary to determine the proportionate share on a function by function basis.

For a full analysis and details of calculating the proportionate share by function (residential vs. non-residential % share of demand) summarized in **figure 9**, see **appendix III**.

Calculating the fee hinges on calculating the facilities square footage needed for each increment of growth (e.g. a housing unit or 1,000 sq. ft. of commercial square footage). In order to make this possible it is necessary to calculate the amount of Courthouse and Annex building facilities sq. ft. demanded by the residential vs. the non-residential sectors respectively. **Figure 9** summarizes the results of the proportionate share analysis for the 5 basic County functions. The % residential vs. % non-residential demand figures were multiplied by the square footage of facility space used by each function (see Facilities Inventory section of this report) in order to calculate the square footage of facilities demanded by the residential vs. non-residential sectors.

Figure 9. Proportionate Share of Facilities Square Footage by Function

	% Residential Demand	% Non-Residential Demand	Total Sq. Ft. of Facilities Used	Residential Demand for Facilities Sq. Ft.	Non-Residential Demand for Facilities Sq. Ft.
Administration	79%	21%	18,272	14,435	3,837
Courts	74%	26%	6,212	4,597	1,615
Sheriff	88%	12%	1,488	1,309	179
Jail	88%	12%	1,984	1,746	238
Health and Human Services	100%	0%	4,800	4,800	-
Total			32,756	26,887	5,869

The Cost of Building New Facilities

To determine the cost of expanding available space for departments and functions located in the Courthouse and Annex buildings, RPI analysts conducted a short survey of 12 local government facility construction projects completed in the last 3 years, most of which are in close proximity to Lake County (**figure 10**). Project coordinators were asked to calculate the construction and site preparation costs (excludes land value) and the total square footage of the project, allowing the calculation of the cost per sq. ft.. The projects in the survey include costs for facilities that include jails, offices, law enforcement stations, community facilities, generally the same facilities needed by Lake County.

Figure 10. Cost of Recent Local Government Public Facilities New Construction Projects

Project	Cost	Sq. Ft.	Cost/Sq. Ft.
Minturn Town Hall	\$ 2,300,000	15,000	\$ 153
Eagle Town Hall	\$ 2,880,000	14,300	\$ 201
Chaffee County Jail	\$ 3,800,000	16,744	\$ 227
Summit County Community Center	\$ 2,780,000	12,000	\$ 232
Steamboat Springs Town Hall	\$ 3,200,000	16,200	\$ 198
Weld County Del Camino Government Facility	\$ 3,892,496	20,000	\$ 195
Garfield County Jail	\$ 14,000,000	60,000	\$ 233
Glenwood Springs Community Center	\$ 9,200,000	60,000	\$ 153
Mesa County Justice Center			\$ 128
Pagosa Town Hall	\$ 2,200,000	13,020	\$ 169
Pagosa Community Center	\$ 3,200,000	20,265	\$ 158
Montrose County Justice Center	\$ 16,563,775	84,223	\$ 197
Mean			\$ 187

The mean cost per square foot of these projects is \$187. This is approximately what Lake County should expect to pay for new public facilities construction and is used to convert facilities square footage demand into costs throughout this analysis.

Residential Level of Service (LOS)

Introduction

Maintaining the current level of service (LOS) is the purpose of the impact fee established in this study. The level of service is the quantity of public facility per unit of demand. Commonly used level of service expressions include library space per capita, acres of parks per capita, and classroom space per student. If demand units are increased (population or students in the examples above) but the community fails or decides not to provide a proportionate increase in the quantity of facilities (e.g. library space, parks, and school facilities) the community should expect service level declines. To maintain a level of service, the community must continually plan for and fund incremental expansions or build facilities to handle future capacity.

In this case, the public facility is workspace, public space, and facilities for the departments and offices located in the Courthouse and Annex buildings. The demand units are population and non-residential square footage. Thus, the residential level of service expression is square footage of facilities demand per capita.

Residential Demand for Facilities

Multiplication of the residential square footage proportionate share for each County function (calculated in the previous section) by the respective sq. ft. of facilities used by that function yields the residential demand for facilities square footage.

Figure 11. Residential Demand for Facilities Sq. Ft. by Function

	Residential Proportionate Share	Total Sq. Ft. of Facilities Used	Residential Demand for Facilities Sq. Ft.
Administration	79%	18,272	14,435
Courts	74%	6,212	4,597
Sheriff	88%	1,488	1,309
Jail	88%	1,984	1,746
Health and Human Services	100%	4,800	4,800

Demand Units

In recent years, Lake County like many high amenity areas, has not only gained exceptional numbers of new full-time residents but has also experienced an increase in seasonal and vacation homes. Part-time residents owning residential property contribute to the demand for basic County services in the same ways as locals. It may be that the demand fluctuates with seasonal visitation patterns, but capital facilities are designed to meet peak demand. Residential demand units consists of members of the residential population, that is, the full-time population plus the part-time population. See **appendix IV** for details, data sources, and derivations of the 2002 residential population.

Figure 12. Residential Populations

Jurisdiction	Residential Population 2002
Entire Lake County	9,851
Leadville	3,196
Unincorporated	6,655

Level of Service

The level of service is the quotient of the division of the residential demand for square footage (by function) by the 2002 residential population of the appropriate jurisdiction. Since the Sheriff's department focuses its services almost entirely on the unincorporated County, the residential population used to calculate the LOS for Sheriff facilities is the unincorporated County residential population. All other functions serve the entire County and thus the level of service expression is based on the entire County's residential population.

The sum for each function is the final level of service expression to be used in the fee calculation.

Figure 13. Levels of Service

	Residential Demand for Facilities Sq. Ft.	2002 Residential Population	Level of Service 2002 (sq. ft. of facilities per capita of residential population)
Administration	14,435	9,851	1.5
Courts	4,597	9,851	0.5
Sheriff	1,309	6,654	0.2
Jail	1,746	9,851	0.2
Health and Human Services	4,800	9,851	0.5
All Functions			2.8

Non-Residential Level of Service

Introduction

Non-residential land uses also contribute to the demand for basic County services, and therefore to the demand for facilities from which to provide these services. Because the proportionate share of the demand differs between residential and non-residential land uses as well as the way non-residential land uses are measured (sq. ft. by type as opposed to population and residential units), the non-residential level of service must be calculated separately.

Non-Residential Demand for Facilities

Non-residential demand for facilities by function calculated in previous section multiplied by the facilities inventory by function yields the non-residential demand for facilities sq. ft. in figure 14.

Figure 14. Non-Residential Share of Demand for Facilities Sq. Ft.

	Total Sq. Ft. of Facilities Used	% Non-Residential Demand	Non-Residential Share of Demand for Facilities Sq. Ft.
Administration	18,272	21%	3,837
Courts	6,212	26%	1,615
Sheriff	1,488	12%	179
Jail	1,984	12%	238
Health and Human Services	4,800	0%	-

Demand Units

One of the most important factors when measuring impacts of non-residential land uses is the intensity or the amount of activity associated with that use. For example, a 6000 sq. ft. development containing retail stores will often have higher levels of activity (employees, traffic, customers, hours of operation) than a 6000 sq. ft. warehouse storage space. Higher levels of activity engender higher levels of demand for basic local government services. The retail/commercial development in this example will generate more employees, traffic, incidents of shoplifting and other calls for law enforcement, legal transactions, financial transactions, property sales, building permit filings, and other activities in which the County plays a role than a warehouse of the same size. For this reason, RPI analysts have categorized non-residential land uses by type and size.

The best source of data for tracking the non-residential sector in Lake County is the Assessor's appraisal and assessment database. For every improvement in the County, the Assessor's office tracks the square footage and the type of use along with literally hundreds of other pieces of information about each property (value, building type, tax district, condition, year-built, etc.). No more detailed and comprehensive data source for inventorying non-residential land uses exists. RPI analysts used the Assessor's database, along with information gathered from other local governments, public agencies, and other institutions to compile the non-residential land use inventory contained in **figure 15**. For more details on the methodology and data used to compile this inventory, see **appendix V**.

Figure 15. Non-Residential Land Use Inventory, Entire Lake County

Land Use Category	Sq. Ft. of Floor Area in County 2002
Retail/Service Commercial	437,673
Lodging	95,586
Office	41,270
Commercial Warehousing/Storage/Industrial	110,069
Government/Institutional/Community Facilities	495,117

Non-Residential Share of Total Demand for Facilities by Type

Higher intensity uses generate the demand for basic County services and therefore more facilities space. Thus, fairly attributing the demand proportionately across the land use types requires a common measure of intensity. Typically, the intensity level are measured using employment as a proxy. In other words, for a specific square footage (1000 sq. ft. in this case), the number of employees working in that space indicates the intensity of use.⁴ Public officials, planners and analysts often use employment as an

⁴ The more employees a certain type of non-residential land use employs, the more intense the level of activity. A mini-storage facility might employ one or two people, and its low level of activity reflects this, while a delivery pizza shop might employ 10 or 15 people, and the activity surrounding this land use reflects this higher level of employment.

indicator of intensity when planning for transportation, housing, parks and recreation, and several other types of public services and facilities.

Employment generation rates per 1000 sq. ft. for each of the 5 land use types established in **appendix VI** were multiplied by the inventory summarized in **figure 15** to calculate the total employment occurring in the square footage of each land type. Because employment is the indicator of intensity, the percentage of total employment each land use type holds is its share of the non-residential demand as summarized in **figure 16**.

Figure 16. Proportion of Total Non-Residential Demand Attributable to Types

Land Use Category	% of Total Non-Residential Demand for Facilities
Retail/Service Commercial	61.5%
Lodging	3.5%
Office	5.5%
Commercial Warehousing/Storage/Industrial	0.6%
Government/Institutional/Community Facilities	28.9%

Level of Service

The level of service must be calculated for each category in order to fairly attribute the demand for facilities. **Figure 16** establishes the percentage each land use type contributes to total demand, and **figure 17** establishes the total non-residential demand for facilities. Their product is the demand for facilities sq. ft. by land use category. This demand divided by the square footage in the inventory⁵ is the level of service.

Figure 17. Non-Residential Demand for Facilities

Land Use Category	% of Total Non-Residential Demand	Non-Residential Demand for Facilities Sq. Ft.	Non-Residential Level of Service (sq. ft. of facilities per 1000 sq. ft. non-residential)
Retail/Service Commercial	62	3629	8.3
Lodging	4	207	2.2
Office	6	325	7.9
Commercial Warehousing/Storage	1	35	0.3
Government/Institutional/Community Facilities	29	1705	3.4

In other words, the current level of service for retail/service commercial is 8.3 sq. ft. of facilities for general County government services per 1000 sq. ft. and similarly for the

⁵ For government, institutional, and community facilities, County facilities were subtracted from the inventory for this calculation based on the logic that the County's own facilities do not contribute to demand for those facilities.

other land use types. The level of service reflects the relative intensities of the five land use types.

Fee Calculation

Residential Fee

The residential level of service is stated in terms of the square footage of facilities per capita of residential population (full-time population plus part-time population).

Because the fee is assessed on units but based on population it is important to understand the average number of individuals living in housing units. The 2000 Census summary file 3 has been released and detailed tables available on the website⁶ allow for the simple calculation of the occupants per housing unit in Lake County for 2000 (**figure 18**). Analysts used occupied housing units (instead of all housing units) to conduct these calculations because, newly constructed units are likely to become occupied within a short time after completion.

Because the lines between manufactured housing and single-family housing are increasingly blurred in terms of the size, use, and occupancy, manufactured housing (which includes mobile homes) were combined with single family detached homes. Duplexes were also combined in the detached category because duplex units have similar occupancy rates. Multi-family developments typically have lower occupancy and were evaluated separately from the detached unit category.

Figure 18. Occupants per Housing Unit

Unit Type	2000 Occupied Housing Units	2000 Population in Occupied Housing Units	2000 Occupants per Housing Unit
Detached Single Family/Duplex/Manufactured (two or less units)	2,567	6,808	2.7
Multi-Family Only (3 or more attached units)	391	872	2.2

Source: U.S. Census

To calculate the fee for these unit types, analysts multiplied the occupants per unit (**figure 18**) by the per capita level of service. This yields the square footage needed for each unit type (7.6 sq. ft. of facilities space per detached single family/duplex/manufactured unit and 6.2 sq. ft. of facilities space per multi-family unit).

Finally, the sq. ft. of facilities space required to maintain the current level of service for each unit type is multiplied by the new construction cost per square foot for facilities

⁶http://factfinder.census.gov/servlet/DatasetTableListServlet?_ds_name=DEC_2000_SF3_U&_type=table&_lang=en&_program=DEC&_ts=62509460300

like the Courthouse and Annex buildings to yield the residential fee schedule (figure 19).

Figure 19. Residential Fee Schedule for County Facilities for Basic County Services

Residential Fee Per Unit	
Detached Single Family/Duplex/Manufactured	\$ 1,420
Multi-Family (3 or more attached units)	\$ 1,160

Non-Residential Fee

Because the level of service is stated in terms of the sq. ft. of facilities needed per 1,000 sq. ft. of non-residential floor area, calculation of the fee necessary to maintain the current level of service is a matter of multiplying the square footage of facilities needed per 1000 sq. ft. by the cost per square foot of construction.

Figure 20. Non-Residential Fee Schedule for County Facilities for Basic County Services

Non-Residential Fee per 1000 sq. ft.	
Retail/Service Commercial	\$ 1,550
Lodging	\$ 410
Office	\$ 1,480
Commercial Warehousing/Storage/Industrial	\$ 60
Government/Institutional/Community Facilities	\$ 640

Cash Flow

A conservative method for estimating future fee revenue is to calculate an average annual unit growth rate for development in the unincorporated County based on past years. This development is then applied to the fee schedule to produce an average annual revenue projection.

Based on analysis of the Assessor database using the year built field, very little non-residential development has occurred in the unincorporated County during the past decade. While some limited development may have occurred since 1990, constraints within the building permit records and the assessor database made an accurate estimate infeasible. Therefore, *cash flow projections are based on new residential development only.*

According to Census counts and building permit records, just over 500 new units (all in the detached single family/duplex/manufactured category) were built between 1990 and 2002, for an average of 39 units per year.

Figure 21. Average Annual New Units in Unincorporated County 90-2002

Estimated New Units In Unincorporated County	
New Single Family 1990-2000	366
New Single Family 2000-2002	137
Average New Units per Year 1990-2002	39

Given the fee schedule presented above, this means that if growth rates continue as they have for the past 12 years, Lake County should expect approximately \$55,000 per year in revenue from residential development alone. Most of this revenue will likely come from the construction of single family “stick-built” and manufactured homes.

Figure 22. Estimated Annual Cash Flow from Residential Development in Unincorporated County

Estimated Average Annual Cash-Flow	
Average Annual Revenue from Residential Development	\$ 55,000

Important Assumptions

This is an estimated average annual cash-flow intended to provide only a general approximation of potential revenues. Actual revenues collected could vary greatly depending on dynamics in the construction and development markets and spikes in non-residential development in the unincorporated County.

This cash flow analysis also assumes all development, whether located in a previously platted subdivision, a 35+ acre parcel, a mining claim, a new subdivision or any other legal parcel in the unincorporated County would be required to pay the full fee amount during the building permit process.

Credits and Exemptions

Credits

Some impact fees include the provision of credits to avoid “double dipping,” that is, to avoid requiring the developer to pay an impact fee and also require them to pay through other mechanisms for the same purpose. For example, an impact fee might be collected for public facilities while a portion of property taxes are earmarked also for public facilities. Clearly the developer would be paying twice for the same purpose. Because double dipping is unfair and probably un-statutory, jurisdictions often develop a system of credits to avoid double dipping. Credits are usually applied as a discount (or full exemption in some cases) to the full price of the fee that roughly equals the amount that would otherwise be double-charged.

Lake County's land use code does not specifically require the provision of capital facilities as a condition of any development approvals, **making it unnecessary to formally establish a credit.** However, as developments are negotiated and land use code provisions change, the County should always avoid double-dipping. The impact fee statute reads:

Any schedule of impact fees or other similar development charges adopted by a local government pursuant to this section shall include provisions to ensure that no individual landowner is required to provide any site specific dedication or improvement to meet the same need for capital facilities for which the impact fee or other similar development charge is imposed.⁷

Therefore, if through its development review process, the County ever exacts land intended for general government facilities (new facilities serving the purpose currently served by the Courthouse and Annex buildings) or requires the construction of this type of facility, the fees charged within that development should be credited accordingly.

Expenditure line items for past budget years as far back as 1999 indicate that the fee as calculated in this study does not require a credit. The budget contains a "capital acquisition fund" funded with a portion of the general property tax and with grants for individual projects. The line item expenditures do not reflect regular expenditures for expanding the Courthouse or Annex buildings or financing new facilities serving the same need. Furthermore, no particular revenue source is earmarked for such expenditures. If at a future date, the County begins to make regular expenditures for general government facilities expansion (like debt payments) or earmarks certain revenue sources for such expenditures (sale tax, property tax, use tax, etc.), it would become necessary to establish a credit the impact fee accordingly. Currently, given the County's budget structure and history, the County does not need to grant credits to the impact fee as structured and calculated in this study.

Exemption for Affordable Housing

The impact fee Statute includes specific provisions allowing (but not requiring) local governments to exempt "low or moderate income affordable employee housing" from impact fees:

...a local government may waive an impact fee or other similar development charge on the development of low- or moderate- income housing or affordable employee housing as defined by the local government.⁸

If the County chooses to consider an exemption or reduction in fees for affordable housing, several issues should be explored:

⁷ CRS. 29-20-104.5

⁸ CRS. 29-20-104.5

- 1) How does the County define affordable housing? The first step would be to determine how to measure affordability. Typically, affordability is based on the earning power of local households or perspective newcomer households, but local circumstances might make additional considerations necessary (such as commuter households with higher earnings in adjacent counties).
- 2) After affordability is defined, the question becomes: How does this affordability, or local households' ability to pay for housing relate to the construction of *new units* of various types and sizes? In other words, how does the County go from defining affordability (usually defined in terms of an affordable price) to setting some exemption threshold? Would the exemption be based on size, unit type, location? Other issues relate to real estate market dynamics and the fact that housing that is affordable in today's market may be unaffordable in next year's market.
- 3) A waived fee can be a market cue, creating incentives for certain types of development and disincentives for other types. For example, the County conducts an analysis and finds that affordable housing, as defined by local earning power, includes mobile homes and apartments. If the County grants an exemption for affordable housing defined in such a way, it may create incentives for this type of development. This may be good, bad, or benign, depending on the County's ability to provide services to these denser development types without jeopardizing service levels or other community goals or values concerning maintaining rural character or open space.
- 4) Finally, if the County waives fees for development of a certain type, or below a certain size, how does it propose to maintain its level of service for general government facilities given the waived revenue? The population occupying the affordable housing will draw upon general government facilities the same as other residents, but will not be paying their fair share of the impacts. Maintaining service levels, the stated goal underlying the impact fee in this support study, may require County make up for the waived revenue from other funds.

In short, the County has full authority to create a waiver or discount for affordable housing, but implementing such waivers or discounts requires careful analysis of regional labor force dynamics, real estate markets, and may require some expenditures out of other funds to compensate for waived revenues.

Exemptions for Certain Public Facilities

Lake County may wish to waive impact fees for some public facilities (classified as government/institutional/community facilities). For example, the County might consider exempting all government and special district facilities from the impact fee. Fundamentally, services and facilities provided by governments (local, state, and federal) and special districts all serve the same end, to provide some type of service or to the residents, businesses, and visitors.

Implementation, Administration, and Procedural Considerations

Considerations for Adopting the Fee

In order to capture all of the impacts of development occurring in the unincorporated County and thereby maintain current levels of service, RPI recommends that the fee be applied to all building permits for new construction (both residential and non-residential) in the unincorporated County. To accomplish this, the County needs to address a few formalities in the land use code and comprehensive plan.

- Be certain that the goal of maintaining service levels for County facilities is a clearly stated goal, objective, or policy in the County Master Plan.
- Currently, new construction projects in the building permit review process for development in the unincorporated County must receive a zoning “sign-off” in order to receive a building permit. The purpose of this zoning review is to ensure that the proposed development complies with the applicable policies in the land use code and any specific land use approvals covering the proposed development.
 - RPI recommends, based on the broad nature of this review, and in order to maintain consistency with statutory language, that the County officially re-name this zoning “sign-off” to “*land use development permit*” for the project. This will entail some minor code amendments:
 - The County will need to draft and adopt a *development permit* section of the Code formalizing the official permit reviewing process. The development permit will require an applicant to submit their impact fee according to the schedule adopted by the County Commissioners prior to issuance of a building permit.
 - Land use code section 3.3, Building Permits, will need to be amended to require a development permit prior to the issuance of a building permit.
- Adopt the fee schedule by resolution or ordinance, to amend the land use code. Include within the resolution or ordinance a statement concerning the purpose of the fee (to cover the cost of maintaining the facilities level of service by charging new development its share of the cost of constructing facilities for general County government services). Also note provisions to sequester the funds.
- Assuming the code is adjusted according to the recommendations above, the fee should be due at the time of building permit issuance. A building permit should not be issued without the required payment.
- Adopt language into the code allowing for an administrative appeal process for the County general government facilities impact fee.

- Because the fee schedule contained in this study contains various land use categories for non-residential and residential use, it is advisable to include formal definitions of these categories in the code section containing the fee requirements. See **appendix VII.** for definitions of the categories used in this analysis.

How to Calculate the Fee

- 1) Determine the land use category into which the proposed new construction fits based on the unit definitions. See **appendix VII** for the definitions used in conducting this analysis.
- 2) For new residential construction multiply the number of units in each category by the per unit fee:

Figure 23. Residential Fee Structure

Residential Fee Per Unit	
Detached Single Family/Duplex/Manufactured	\$ 1,420
Multi-Family (3 or more attached units)	\$ 1,160

For example, if a developer seeks a building permit for one single family home, the cost would be \$1,420 (1 Unit * \$1,420 per unit = \$ 1,420)

If the same developer wanted to build a 6-unit apartment building the fee would be \$4,640 (6 Units * \$1,160 per unit = \$4,640)

3. Calculating the fee for non-residential development involves determining the category of development (see **appendix VII** for the definitions used in conducting this analysis) and multiplying the square footage proposed by the proper fee amount.

For example, a developer applies to build a 5,000 sq. ft. retail commercial center capable of accommodating retail or service commercial establishments would require \$7,750 fee.

$(5,000 \text{ sq. ft.} / 1,000 \text{ sq. ft.}) * \text{Retail or Service Commercial fee per 1,000 sq. ft.} = \$7,750$

Figure 24. Non Residential Fee Structure

Non-Residential Fee per 1000 sq. ft.	
Retail/Service Commercial	\$ 1,550
Lodging	\$ 410
Office	\$ 1,480
Commercial Warehousing/Storage/Industrial	\$ 60
Government/Institutional/Community Facilities	\$ 640

Fee Revenue Accounting

Fee revenue must be kept in sequestered accounts, with an interest rate equal to or greater than inflation. This account must be officially earmarked exclusively for capital facilities expansion. The County may want to write its intent to accomplish this into the resolution or ordinance adopting the fee.

While the statutes do not specifically state a timeframe within which the impact fees must be spent and improvements built, the County should establish a reasonable timeframe for expenditure and construction.

Appendices

I. County Services Demand Indicators Detailed Tables

Figure 25. Law enforcement and jail demand indicators

Year	Average Daily Inmate Population	Inmate Transports to Other Facilities	Annual Traffic Tickets	Annual Calls to Sheriff's Department
1992	9.9	39	144	14,588
1997	13	80	134	15,955
2001	18	47	245	28,996

Figure 26. Growth in law enforcement and jail demand indicators 1992-2001

Demand for Lake County Sheriff Department Services	
% Increase in Calls to Sheriff's Department 1992-2001	99%
% Increase in Traffic Tickets 1992-2001	70%
% Increase in Average Daily Jail Population 1992-2001	82%
% Increase in Inmate Transports to Other Facilities 1992-2001	21%

Figure 27. Employees by Department

Department/Function	Employees 2002	Employees 1999
Admin	3	2
Assessor	6	4
Building/Planning	5	4
Blood Lead	2	2
Clerk	5	4
Commissioners	4	4
Coroner	1	1
Maintenance	3	4
Treasurer	4	5
Veterans	1	1
Health	4	3
Social Services	17	15
Jail	6	6
Library	11	8
Landfill	6	4
Road and Bridge	12	11
Recreation	2	1
Sheriff	11	9
Total	103	88

Source: County Payroll Records

II. Courthouse and Annex Buildings Analysis

Figure 28. Detailed Table of Departments and Offices Contained in Five Categories Used in Analysis

Function Category	Departments/Offices
Administration	Administration, Assessor, Building, Clerk, Commissioners, Coroner, Maintenance, Treasurer, Blood Lead, Veterans Services,
Law Enforcement	Sheriff's Law Enforcement Staff and Dispatch
Jail	Jail Staff
Courts	District Court, County Court and Associated Functions
Health and Human Services	Health and Human Services

Figure 29. Detailed Courthouse and Annex Building Space Analysis

Department/Office	Sq. Ft. of Floor Area	Floor	Function
Jail	1,984	1st	Jail
Law Enforcement and Dispatch	1,488	1st	Law Enforcement
Public Space/Meeting Room	1,900	1st	Administration
Clerk, Commissioners Offices	2,168	1st	Administration
Administration, Commissioners Offices, Assessor, Treasurer Wing	3,332	1st	Administration
Courtrooms, Chambers, and Offices	5,612	2nd	Courts
Public Space for Court	600	2nd	Courts
Building, Planning, Workforce	3,441	ground	Administration
Storage, Utility/Systems, Bathrooms	5,086	ground	Administration
Finance, D.A.'s Office	2,345	ground	Administration
Health and Human Services	4,800	annex	Health and Human Services

III. Proportionate Share Detailed Analysis

Administration

Calculating the administration proportionate share required a detailed analysis of the offices and departments contained in this function category. RPI used the ratio of commercial actual valuation to residential actual valuation of improved property to determine the proportionate share for departments or offices whose responsibilities revolve around tracking and taxing property (i.e. assessor, treasurer).

Figure 30. Actual Valuation of Improved Property in Lake County 2000

Residential	\$ 25,749,810
Commercial	\$ 8,831,980

Source: 2000 State of Colorado Division of Property Taxation Annual Report

Figure 31. Proportion of Residential to Non-Residential Improved Property Lake County 2000

% Residential Actual Valuation	74%
% Non-Residential Actual Valuation	26%

The proportionate share for the building and planning department was determined by determining the proportion of residential to commercial/institutional building permits for the years 1994-2002. These numbers include additions and remodels.

Figure 32. Proportion of Residential to Non-Residential Building Permits 1994-2002

	# of Permits	Percent of Total
Residential Permits	1040	85%
Commercial Permits	180	15%

Source: Building Permit Summary Report Compiled by Lake County Building

Departments or offices with multiple functions required a reliable fall-back ratio. Because the ratio of employees/residents is a common approach for comparing the amount of resident related activity to the amount of activity generated by the commercial/institutional sector. An employee is the fundamental measure of commercial or institutional activity while a resident is the equivalent measure of residentially based activity. This ratio was applied to the administrative staff, the clerk and recorders office, maintenance, and the Commissioners.

Figure 33. Ratio of Population to Employees Lake County 2000

	Number	Ratio (%)
2000 Population	7,812	73%
2000 Employed Persons	2,945	27%

Source: U.S. Census and CO Division of Local Government CEDIS Website

Other departments/offices (coroner, veterans, blood lead) are 100% dedicated to residents and so demand was assigned entirely to the residential sector.

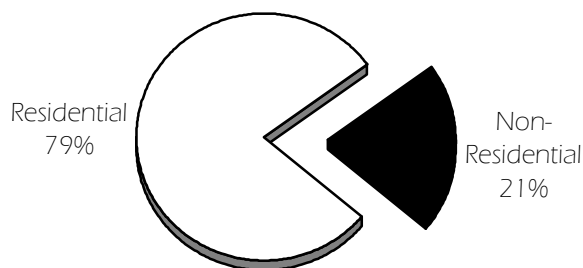
Having determined the proportionate share for the departments and offices contained in the administration function as defined in this report, determination of the overall proportionate share was a matter of multiplying the respective proportionate share ratios by the total number of employees in the department/office. This step weights departments with more employees needing more room against those with fewer employees.

Figure 34. Proportionate Share of the Components of the Administration Function

Department/Function	Employees 2002	% Residential	% Non-Residential	# Residential	# Non-Residential
Admin	3	73%	27%	2.2	0.8
Assessor	6	74%	26%	4.4	1.6
Building/Planning	5	85%	15%	4.3	0.8
Blood Lead	2	100%	0%	2.0	0.0
Clerk	5	73%	27%	3.7	1.4
Commissioners	4	73%	27%	2.9	1.1
Coroner	1	100%	0%	1.0	0.0
Maintenance	3	73%	27%	2.2	0.8
Treasurer	4	74%	26%	3.0	1.0
Veterans	1	100%	0%	1.0	0.0
Total	34			27	7

The final step involves establishing the ratio of administration employees demanded by the residential sector to those demanded by the non-residential sector. This is the proportionate share for the administration function.

Figure 35. Administration Proportionate Share



Sheriff: Law Enforcement and Jail

Both the residential and non-residential sectors draw upon the Sheriff's department services. Fortunately, detailed records are kept by the department, some of which are then compiled by the State, providing the basis for determining the proportionate share. Law enforcement duties are separable into traffic and non-traffic law enforcement.

Determining the proportionate share for the traffic enforcement portion of the Sheriff's department's duties is best calculated by determining the share each sector contributes to traffic on roads in the unincorporated County.

The method commonly used in planning and transportation engineering for determining the source of traffic involves conducting a detailed inventory of the land uses in the study area (see **appendix IV & V.** for details on the residential and non-residential land use inventories) and applying this inventory to the traffic generation rates compiled in the most current edition of the “ITE” (the Institute of Transportation Engineers Trip Generation Manual 6th Edition, 1997). This process assigns traffic flowing in and around the County to the land uses generating the traffic. The unit of measurement for traffic, used worldwide by traffic engineers and planners, is the vehicle trip, and in this case, the Average Daily Vehicle Trip⁹ (ADT).

Average daily trips are then adjusted to avoid double counting. For example, a single-family residence generates about 9.7 ADT and a grocery store generates about 111 ADT per 1000 sq. ft.. This is the total driveway volume for both structures on a given weekday. The ITE has trip adjustment factors that eliminate the possibility of double counting. Furthermore, the ITE has calculated “pass-by trip” adjustments that adjust for the fact that a trip to a grocery store is often only a detour on the trip home. In short, the trip generation estimates are as accurate as possible short of the impossible task of hand counting every trip in the County.

Figure 36. Traffic Generation Analysis for Unincorporated Lake County 2002

Unincorporated 2002	Size in Sq. Ft.	Other Quantity	TGEN Rate (per 1000 sq. ft.)	ITE Category	Adjustment Factor	ADT
Merchandising	47,918		40	specialty retail	22%	422
Lodging (units)	71,444	286	6	motel	50%	857
Office	15,116		11	general office	50%	83
Special Purpose	45,423		7	light industrial	50%	159
Warehousing	10,941		5	warehousing	50%	27
Multi-Use	45,423		7	light industrial	50%	159
Contracting Services	9,196		7	light industrial	50%	32
Recreation	22,160		23	rec center	22%	112
Government Offices			11	manufacturing	50%	-
Government Shop			7	light industrial	50%	-
Library			54	library	22%	-
Post Office			108	post office	22%	-
Churches			9	church	50%	-
Hospital (beds)			12	hospital	50%	-
School (students)			1	middle school	50%	-
Single Family Residences (units)		2,313	9.6	single family	75%	16,654
Multi-Family Residences (units)		223	6.6	multi family	75%	1,104

Having assigned traffic on the roads to the land uses on the ground, determining the residential vs. non-residential proportionate share is a matter of summing the Average Daily Trips by land use and establishing the ratio between them. The high proportion

⁹ An Average Daily Vehicle trip is the average number of times a car passes over a single line across a road in either direction in one day.

of demand assigned to residential land uses reflects the extensive residential development in the County and the limited non-residential land uses in the County.

Figure 37. Traffic Law Enforcement Proportionate Share, Unincorporated County 2002

Source of Traffic	Number of ADT	Percent of Total
Residential Land Uses	17,757	91%
Non-Residential Land Uses	1,852	9%

Detailed arrest records are the appropriate data source for determining the proportionate share for the non-traffic portion of the Sheriff's duties. The Colorado Bureau of Investigation compiled the year 2000 standardized crime reports from all jurisdictions.¹⁰ Analysts assigned line-by-line arrests records to traffic or to the residential or non-residential sectors depending on the nature of the crime. Some of the crime categories were assigned 100% to either residential or non-residential. For example, family offenses were assigned 100% to the residential sector, DUI's and motor vehicle theft were assigned 100% to the traffic category while disorderly conduct (usually occurring in a public space or establishment), was assigned to the non-residential sector. Other crime categories that relate to property (burglary, vandalism) were broken down according to the ratio of the actual value of residential vs. non-residential value valuation.¹¹ This same ratio was also used as a fall-back for categories whose assignment was less obvious (assaults, larceny).

Figure 38.

	Adult	Juvenile	Total	% Residential	% Non-Residential	% Traffic	# Residential	# Non-Residential	# Traffic
Total Number of Arrests	78	7	85						
Assault	5		5	74%	26%		3.7	1.3	0.0
Burglary	1		1	74%	26%		0.7	0.3	0.0
Larceny	3		6	74%	26%		4.4	1.6	0.0
Motor Vehicle Theft	1		1			100%	0.0	0.0	1.0
Other Assaults	5		5	74%	26%		3.7	1.3	0.0
Forgery	2		2		100%		0.0	2.0	0.0
Fraud	1		1		100%		0.0	1.0	0.0
Vandalism	2		2	74%	26%		1.5	0.5	0.0
Drug Violations	2	0	2	100%			2.0	0.0	0.0
Other Family Offenses	17	0	17	100%			17.0	0.0	0.0
DUI	26	1	27			100%	0.0	0.0	27.0
Liquor Law Violations	2	0	2		100%		0.0	2.0	0.0
D	2	0	2		100%		0.0	2.0	0.0
A	9	3	12	74%	26%		8.9	3.1	0.0
Total							42.0	15.0	28.0

¹⁰ <http://cbi.state.co.us>

¹¹ 2000 Division of Property Taxation Annual Report

The assignment percentages were then multiplied by the number of crimes in each category and then the number of crimes assigned to each of the categories (residential, non-residential, and traffic) were totaled. After traffic arrests were allocated based on the traffic proportionate share and added to the traffic tickets, the residential arrests were added to the residential traffic tickets, likewise with the non-residential arrests and traffic tickets to yield residential and non-residential totals. The ratio between these totals is the law enforcement proportionate share.

Figure 39.

2001 Law Enforcement Proportionate Share				
	Arrests	Traffic Tickets	Total	Proportionate Share
Residential	67	223	290	88%
Non-Residential	18	22	40	12%

The jail is a facility required in order to provide full law enforcement services, and therefore maintains the same proportionate share as law enforcement as a whole.

Courts

Because the Courts oversee legal proceedings of all types (property related, divorce, liability suits, financial settlements, etc.) they require a separate proportionate share analysis from that conducted for law enforcement, which covers only the criminal cases. The CO Judicial Branch Annual Report¹² includes F.Y. 2002 total filings by category. In order to determine the proportionate share for Courts analysts conducted an analysis parallel to that conducted for law enforcement.

Figure 40. County Court Filings 2002

	FY 2002 Filings	% Residential	%Non-Residential	# Residential	# Non-Residential
Money Small Claims	40		100%	0	40
Money	94		100%	0	94
Domestic Abuse	5	100%		5	0
Restraining Order	33	100%		33	0
Forcible Entry	72	74%	26%	53	19
Name Change	15	100%		15	0
Other	1	74%	26%	1	0
Offence Against Person	30	100%		30	0
Offence Against Property	12	74%	26%	9	3
Fraud	28		100%	0	28
Drugs	19	100%		19	0
Domestic Violence	74	100%		74	0
Bail Violation	7	100%		7	0
Animal Violation	12	100%		12	0
Other	33	100%		33	0
Public Indecency	1	100%		1	0
Trespass	10	74%	26%	7	3
Weapon	1	100%		1	0
Underage Alcohol	28	100%		28	0
Infraction	184	74%	26%	136	48
Felony	67	74%	26%	50	17

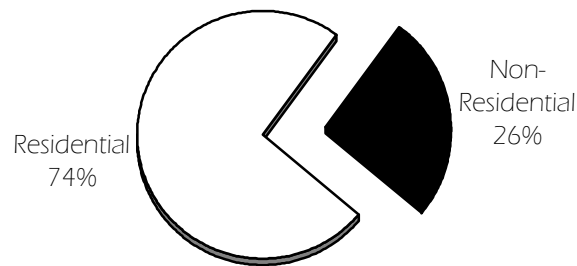
¹² <http://www.courts.state.co.us/panda/statrep/ar2002/ar2002toc.htm>

Figure 41. District Court Filings 2002

District Court					
	FY 2002 Filings	% Residential	%Non-Residential	# Residential	# Non-Residential
Domestic Relations	37	100%		37	0
Negligence	1		100%	0	1
Personal Injury	1		100%	0	1
Property Damage	1	74%	26%	1	0
Distrain	17	74%	26%	13	4
Real Personal Property	20	74%	26%	15	5
Rule 120	20	74%	26%	15	5
Money Demands	6		100%	0	6
Cty Ct. Mun. Appeals	4	74%	26%	3	1
Injunctive Relief	4	74%	26%	3	1
Other	18	74%	26%	13	5
Petition to Seal Crim Records	4	74%	26%	3	1
Restraining Order	1	100%		1	0
Special District	2	74%	26%	1	1
Intestates	3	100%		3	0
Testates	13	100%		13	0
Conservatorships	2	100%		2	0
Estates	5	74%	26%	4	1
Other	7			0	0
Juvenile Domestic	14	100%		14	0
Juvenile Delinquency	38			0	0
Sex Offense	1	100%		1	0
Assault	12	100%		12	0
Child	1	100%		1	0
Harassment	1	100%		1	0
Burglary	2	74%	26%	1	1
Robbery	8	74%	26%	6	2
Theft	4	74%	26%	3	1
Trespass	1	74%	26%	1	0
Drugs	1	100%		1	0
Other	7			0	0
Mental Health	1	100%		1	0
Criminal	69			0	0
Homicide	1	100%		1	0
Sex Offense	1	100%		1	0
Offence Against Person	13	100%		13	0
Offence Against Property	26	74%	26%	19	7
Fraud	6		100%	0	6
Judicial and Govt. Proceedings	6			0	0
Drugs	6	100%		6	0

As with law enforcement, any traffic filings were assigned according to the traffic proportionate share (see Law Enforcement and Jail Proportionate Share) and the number of traffic filings added to the total district and County filings assigned to the residential and non-residential sectors in **figure 41**. The ratio between the residential and non-residential total filings is the Courts Proportionate Share.

Figure 42. Courts Proportionate Share



Health and Human Services

Health and human services provides healthcare, resources, education, counseling, and support to County residents. Health and Human services essentially provides domestically related services. Because of this orientation towards improving home life, the demand for Health and Human services is assigned entirely to the residential sector.

IV. Housing and Population

The part-time residential population was calculated by multiplying the number of vacation units counted in Census 2000 by the average occupancy for single-family homes (see figure 44). Adding the part-time population to the full-time population in 2000 yields the residential population.

To estimate the 2002 Resident population, analysts used the following formula:

2002 Resident Population = 2000 full-time population + [average household size * (2000 seasonal residences + 2000-2002 new building permits)]

Figure 43. Derivation of 2000 Residential Population

	Full-Time Population 2000	Part-Time Population 2000	Residential Population 2000
Entire Lake County	7,812	1,580	9,392
Leadville	2,821	286	3,107
Unincorporated	4,991	1,293	6,284

Source: U.S. Census Bureau

Figure 44. Occupants per Housing Type

Unit Type	2000 Housing Units	2000 Population in Unit Types	2000 Occupants per Housing Unit
Detached Single Family/Duplex/Manufactured	2,567	6,808	2.7
Multi-Family Only (3 or more attached units)	391	872	2.2

Source: U.S. Census Bureau

Calculating the new residential population that arrived in Lake County during 2000-2002 was accomplished by multiplying the building permits for new homes (only single family residential construction occurred during these 3 years) by the occupants per housing unit for single family homes. This figure added to the 2000 residential population yields the 2002 residential population.

Figure 45. Resident Population 2002

	Residential Population 2000	Additional Residential Population 2000-2002	Residential Population 2002
Entire Lake County	9,392	459	9,851
Leadville	3,107	89	3,196
Unincorporated	6,284	370	6,654

Figure 46. Building Permits 2000-2002

Year	SF Building Permits Entire County	SF Building Permits Unincorporated County	SF Building Permits Leadville
2000	63	52	11
2001	57	48	9
2002	50	37	13
Total	170	137	33

V. Non-Residential Land Use Inventory

The fact that the Assessor's office only tracks the details of properties and improvements that are not exempt from property taxes or are not assessed by the State necessitated a two-pronged approach: one for taxable improvements using the Assessor database, and one for property tax exempt improvements supplementing the database with empirically gathered data.

The taxable improvements inventory was a matter of obtaining a raw database from the assessor's office containing taxing district information. Using standard query

methodology, analysts summed the square footage in place in 2002 by the abstract code category assigned to that improvement as summarized in **figure 47**.

Figure 47. 2002 Taxable Non-Residential Inventory by Use

Type	Sq. Ft. of Floor Area
Retail/Restaurant	189,314
Lodging	95,586
Offices	41,270
Recreation	42,804
Special Purpose	167,172
Warehousing	84,239
Multi-Use	5,210
Contracting Service	33,173
Mining	2,494,517

In order to fill gaps in the assessor records, analysts contacted agencies, governments, institutions, and other exempt property owners to get the necessary information. **figure 48** contains the exempt property inventory.

Figure 48. Exempt Non-Residential Inventory, Entire County 2002

Type	Sq. Ft. of Floor Area
Forest Service Facilities	25,830
Fire	4,829
City	12,880
County Offices	32,756
County Shop/Warehousing	4,672
Post Office	4,000
Library	6,408
Schools	419,700
Religious/Charitable	13,943
Hospital	47,300

Figure 49 summarizes the aggregation of these more detailed inventories into five categories that are useful for considering applications for development. In most cases, the more detailed assessor categories were readily transferable, and in cases where the categories were more ambiguous, analysts looked at details in the raw assessor database to help sort the land uses (e.g. business name, building type, location, etc.).

Figure 49. Non-Residential Land Use Inventory, Entire Lake County

Land Use Category	Sq. Ft. of Floor Area in County
Retail/Service Commercial	437,673
Lodging	95,586
Office	41,270
Commercial Warehousing/Storage/Industrial	110,069
Government/Institutional/Community Facilities	495,117

VI. Non Residential Share of Demand by Land Use Category

Employment is the key indicator of the level of activity occurring within a specified area (per 1000 sq. ft. of floor area, in this case). The more employees a certain type of non-residential land use employs, the more intense the activity. For example, a mini-storage facility might employ one or two people, and its low level of activity reflects this, while a delivery pizza shop might employ 10 or 15 people, and the activity surrounding this land use reflects this higher level of employment.

Figure 50. Employees Generated by Non-Residential Land Uses by Type

Land Use Category	Sq. Ft. of Floor Area in County	Employees per 1000 sq. ft. of Floor Area	Estimated Employees
Retail/Service Commercial	437,673	2.65	1160
Lodging	95,586	0.7	67
Office	41,270	2.5	103
Commercial Warehousing/Storage, and Industrial	110,069	0.1	11
Government, Institutional, and Community Facilities	495,117	1.1	545

It follows that the number of employees associated with the five types of existing non-residential square footage should serve as the quantitative measure of how much each contributes respectively to the total non-residential demand for facilities square footage.

The method for establishing employment based on the size and type of land use, commonly used in affordable housing analyses, is to apply an employment generation rate (usually expressed in terms of employees per 1000 sq. ft.) to the inventory of square footage. Each of the five categories required a unique approach.

For lodging, the land use category matched employment category as presented by the Colorado Division of Local Government Demography Section¹³ so calculating the employment generation rate required dividing the number of lodging employees in the County by the square footage counted using the Assessor's database.

¹³ <http://www.dola.state.co.us/demog/index.htm>

RRC & Associates (Boulder, Colorado) has been compiling an employment generation database based on professionally administered employer surveys in nearly 20 communities¹⁴ for over a decade. This is the best employment generation data available for Colorado. The first category, retail and service commercial contains most commercial land uses in the County. RRC has employment generation numbers contained in their “merged database” for both retail and service commercial, which when averaged together yield an employment generation of 2.65 employees per 1000 sq. ft..

The RRC study does not include an employment generation figure for warehousing and commercial storage nor for general office space, but the employment generation figures were derived from the Institute of Transportation Engineers Trip Generation Manual 6th Edition, 1997 (the ITE). Trip generation is often expressed in terms of average daily trips per employee and average daily trips per 1000 sq. ft., so employment generation falls out of the ITE’s extensive survey data.

Because the government, institutional, and community facilities category essentially consists of the property tax exempt properties, the entities contained in this category were all part of the informal survey and research to inventory the square footage. Key informants were asked not only the square footage of the facility, but also the number of employees in the facility, and where possible, employment numbers were obtained using other sources (such as the County and School payroll summaries). Thus, as with the lodging category, employees were divided by the thousands of sq. ft. of floor area in this category to obtain the employment generation figure of 1.1 employees per 1000 sq. ft..

Employment generation figures were then applied to the known square footages in the inventory to calculate the employment generated by each of the five land use types. Note that the non-residential sector currently generates just under 1,900 jobs while the Demography Section¹⁵ estimates over 2,500 jobs in the County for 2002. This reflects the jobs held by individuals working out of their homes (accountants, engineers, appraisers, realtors) and firms that do not need an official commercial location (building contractors, carpet cleaners, housekeeping, driveway plowing, etc.).

To determine the share each land use type contributes to the overall non-residential demand for services, analysts calculated the percentage that each category held in the total employment generated by non-residential land uses. **Figure 51** summarizes the results of this calculation.

¹⁴ Chaffee County: 1994, Copper: 2001, Eagle County: 1990, 1996, 1999, Estes Park: 1991, 1999, Frisco: 1998, Gunnison County: 1992, 1998, Keystone: 2001, Pitkin County: 1991, Routt County: 1990, San Miguel County: 2000 (plus Telluride 2001), Snowmass Village: 1999, Summit County: 1990, 2001, Telluride: 1993, 1996, Composite of Pitkin, Eagle, and Garfield Counties: 1998, Blaine County, ID: 1990, 1996

¹⁵ <http://www.dola.state.co.us/demog/index.htm>

Figure 51. Proportion of Total Non-Residential Demand Attributable to Types

Land Use Category	% of Total Non-Residential Demand for Facilities
Retail/Service Commercial	61.5%
Lodging	3.5%
Office	5.5%
Commercial Warehousing/Storage/Industrial	0.6%
Government/Institutional/Community Facilities	28.9%

Not surprisingly, given its higher employment generation numbers and its large share of the non-residential total square footage, the retail/service commercial category accounts for most of the demand while less extensive and intense uses like commercial warehousing/industrial account for a relatively small slice of the demand for facilities.

VII. Definition of Land Use Categories Used in Fee Schedule

Residential

Detached Single Family/Duplex/Manufactured Unit: Any detached unit residential unit categorized by the building department as a single-family unit; any unit, meeting the definition of dwelling unit that is attached to one other unit that together make up one structure; any detached single family unit, meeting the definition of dwelling unit, that is pre-manufactured elsewhere and then assembled or moved to the building site.

Multi-Family Unit: A multi-family dwelling unit is a unit, meeting the definition of dwelling unit, that is part of a structure containing a total of 3 or more such units.

Non-Residential

Retail/Service Commercial: This encompasses developments designed to accommodate any retail establishment (non-wholesale merchandising of any sort, including restaurants) as well as any service oriented establishments where customers regularly come on-site to obtain the service offered (auto repair, dry cleaners, video store, parcel shipping company, medical center, title companies, etc.).

Lodging: Development designed to provide short-term lodging accommodations. Square footage on the same property designed for other purposes (such as an on-site restaurant) should be required to pay the appropriate fee rate for that square footage.

Office: Development designed to provide separated workspace for employees of businesses that will not frequently draw customers into the workspace (accountants, engineers, attorneys, investment firms).

Commercial Warehousing/Storage/Industrial: Any commercial oriented shipping or storage center, mini-storage, or industrial use where the focus of the development is to produce commodities on-site.

Government/Institutional/Community Facilities: Non-commercial, not-for-profit facilities built to provide a community service or facility. Examples: fire stations, schools, churches, Road and Bridge facilities, public lands agency offices, recreation centers.